

MINUTES OF THE REGULAR MEETING

OF THE

COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

June 17, 2003

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, June 17, 2003, at 8:30 a.m. at Hispanic Housing Development Corporation, 1402 North Kedzie, in Chicago, Illinois.

The meeting was called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present: Sharon Gist Gilliam
Hallie Amey
Mamie Bone
Earnest Gates
Dr. Mildred Harris
Lori Healey
Sandra Young

Absent: Michael Ivers

Also present were Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Duwain Bailey, Chief of Operations, presented the Board of Commissioners with an update on Property Management Review. Per Mr. Bailey, over the last 90 days, four firms (2 privately managed and 2 managed by RMC's) have been replaced. Reasons for dismissals include poor building upkeep, financial problems, slow response to work order requests and failure to process one strike cases. HUD's support was received in January 2003 as a result of inspections they conducted at several of the CHA properties. Even though the property management functions have been delegated to private firms, HUD holds CHA responsible and accountable for providing services to residents. Mr. Bailey concluded his presentation by assuring the Commissioners that several of the firms in CHA's portfolio are doing very well and CHA will continue to work with all firms to improve residents' quality of life

Commissioner Hallie Amey then presented a Motion for the approval of the following resolution commending Leticia Peralta Davis for her services as CHA Commissioner:

RESOLUTION

WHEREAS, Ms. Leticia Davis was appointed to the CHA Board of Commissioners by Mayor Richard M. Daley on July 7, 1999, and served as a member of the Board until April 18, 2003.

WHEREAS, Leticia Peralta Davis, President of the Davis Financial, Inc., a former Board Member for the Children's Memorial Hospital; Board Member and Treasurer of the Mexican American Democratic Organization of Cook County and its affiliated Political Action Committee; Board Member of the Illinois Council Against Handgun Violence; and Board Member and Finance Chair of St. Benedict High School Advisory Board is the newly appointed Chief Executive Officer of the Metropolitan Pier and Exposition Authority, and

WHEREAS, Leticia Peralta Davis has provided outstanding leadership as Chairperson of Chicago Housing Authority Board of Commissioners' Finance and Audit Committee, and a member of the Operations and Audit Committee, and

WHEREAS, The Chicago Housing Authority Board of Commissioners wishes to thank Leticia Peralta Davis for her service as a Commissioner and for her grace, wisdom, professionalism and inspiring commitment to the transformation of public housing, and

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated, June 15, 2003 entitled “Authorization to issue a Commendation Honoring Leticia Peralta Davis for Her Exemplary Services to the CHA Board of Commissioners”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, Leticia Peralta Davis be commended for her valor, vision and valued dedication to the CHA Board of Commissioners and the residents of the Chicago Housing Authority.

GIVEN THIS SEVENEETENTH DAY OF MAY, IN THE TWO THOUSAND AND THIRD YEAR OF OUR LORD

**s/b: Sharon Gist Gilliam
Chairperson**

The Motion was seconded by Commissioner Harris and the voting was as follows:

Ayes: Sharon Gist Gilliam
Hallie Amey
Mamie Bone
Earnest Gates
Dr. Mildred Harris
Lori Healey
Sandra Young

Nays: None

Ms. Davis was then presented with a plaque and was enthusiastically applauded by the audience.

The Chairperson thereupon declared said Motion carried and said Resolution adopted

The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing portion of the meeting, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session and Chairperson Gilliam thereupon introduced for approval the Minutes of the Regular Board Meeting held on May 20, 2003. Upon Motion made and properly seconded, the Minutes for May 20, 2003 were unanimously approved and accepted as submitted.

The Chairperson thereupon introduced the Resolution discussed in Executive Session.

A Motion to approve Executive Session Item 1 was presented by Commissioner Gates.

(Executive Session Item 1)

RESOLUTION NO. 2003-CHA-62

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated June 5, 2003, requesting that the Board of Commissioners approves the Personnel Action Report for May 2003.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions for May 2003.

The Motion to adopt the Resolution for Executive Session Item 1 was seconded by Commissioner Young and the voting was as follows:

Ayes: Sharon Gist Gilliam
Hallie Amey
Mamie Bone
Earnest Gates
Dr. Mildred Harris
Lori Healey
Sandra Young

Nays: None

The Chairperson thereupon declared said Motion carried and said Resolution adopted.

Commissioner Sandra Young, Chairperson of the Tenant Services Committee, then presented her monthly report. Per Commissioner Young, the Tenant Services Committee held its regular meeting on Wednesday, June 11, 2003, at 1:00 p.m. at the 626 Corporate Office. No presentations were scheduled to come before Committee.

Commissioner Young then introduced an Omnibus Motion for adoption of the resolutions for Items A1 through A4 discussed, voted and recommended for Board approval by the Tenant Services Committee.

(Item A1)

In May 2001, CHA was awarded the FY01 Public Housing Drug Elimination Program (PHDEP) Grant to provide educational and training services to ABLA residents. In January 2002, pursuant to this grant, the CHA entered into a Sub-grant Agreement with the Board of Education to implement the Employability Plus Program at ABLA. The term of the Agreement expired on December 31, 2002. The resolution for Item A1 approves a 12-month contract extension (January thru December 2003) to continue the services provided to ABLA residents under the Employability Plus program. The Employability Plus program offers ABLA youths the opportunity to return to high school in order to receive their diploma, as well as offering residents the opportunity to earn a GED. The second component of the program is job training, targeting youth and adults. This program is essential to the ABLA community and supports CHA's Plan for Transformation to link families with opportunities that will assist their move toward self-sufficiency and integration into mixed-income communities.

RESOLUTION NO. 2003-CHA-79

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 27, 2003, entitled "Authorization to extend the CHA's contract with Chicago Board of Education for Employability Plus Program at the ABLA development".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a modification to extend the Chicago Housing Authority's sub-grant agreement with the Chicago Public Schools from January 1, 2003 to December 31, 2003 and for additional compensation in the amount of \$73,300.00, for the Employability Plus program at the ABLA development, making the total aggregate amount of the Chicago Housing Authority's sub-grant agreement with Chicago Public Schools for the Employability Plus program \$133,300.00.

(Item A2)

The resolution for Item A2 approves acceptance of a grant from the Illinois State Board of Education for the 2003 Summer Food Program and approves award of contract to Open Kitchens, Inc. to provide food services for said program. Pursuant to the Illinois State Board of Education's specification, the CHA submitted an Invitation for Bid (IFB) to the State of Illinois for approval. Upon approval, the IFB was advertised in area newspapers throughout the City. Thirteen vendors, including one MBE/WBE firm were directly solicited. Open Kitchens, Inc. was determined to be the lowest responsive, responsible bidder.

RESOLUTION NO. 2003-CHA-80

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 23, 2003 entitled: "Authorization to accept a grant from

the Illinois State Board of Education for the Summer Food Services Program and enter into a contract with Open Kitchens Inc. for the 2003 summer food services program.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, The Board of Commissioners authorizes the Chief Executive Officer or his designee to accept an Illinois State Board of Education Grant for the Summer Food Program and to enter into a contract for the 2003 Summer Food Services Program with Open Kitchens, Inc., from June 25, 2003 to August 30, 2003 for a total of \$1,753,147.00.

(Item A3)

In September 1999, the Board of Commissioners approved a one year contract with Spanish Coalition for Housing (“SCH”) for a term from October 1, 1999 through September 30, 2000 for marketing and outreach services to the Latino community, as required by the Latinos United consent decree. The Contract included four (4) one-year options to extend. In September 2000, the Board of Commissioners approved a four-month extension and in February 2001 an additional six-month extension was approved in order for the CHA to re-evaluate the role of the SCH offices in relation to the Plan for Transformation and review the SCH expenditures during the initial term of the contract. Subsequently, the Board of Commissioners and HUD approved the exercise of option #1 to the Contract for a term from August 2001 through July 2002. In June 2002 the Board of Commissioners and HUD approved the exercise of option #2 to the Contract for a term from August 2002 through July 2003. Since SCH continues to be cost effective and provides excellent services to the CHA, the resolution for Item A3 approves option #3 for the term of August 2003 through July 2004.

RESOLUTION NO. 2003-CHA-81

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated June 5, 2003, entitled “Authorization to exercise Option No. 3 and enter into a Fifth Modification to extend Contract #9323 with Spanish Coalition For Housing to perform marketing and outreach of CHA Programs to the Latino Community.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners approves the attached Resolution authorizing the Chief Executive Officer or his designee to exercise the third option to extend and enter into modification #5 to Contract #9323 with Spanish Coalition for Housing for a term from August 1, 2003 through July 31, 2004 in an amount not-to-exceed \$459,042.00 for the purposes of providing outreach and informational services about CHA programs to the Latino Community of the City of Chicago, as required by the Latinos United consent decree.

(Item A4)

The resolution for Item A4 approves a two year contract with Brinshore-Michaels, LLC (“BMH-1”) to provide funding for needs assessment and case management for Henry Horner Mid-Rise Residents to meet site selection criteria for the new redeveloped housing, in an amount not to exceed \$225,000.00 subject to HUD’s approval, if required. CHA is required by the Hbrner Amended Consent Decree to provide a designated agent to conduct a family needs assessment, in order to determine the family’s needs for employment training, day care, transportation, literacy, parenting skills, housekeeping skills, and whether there is gang involvement or substance abuse problems that must be addressed. CHA will provide the funding for BMH-1, the developer of Horner Phase II, who in turn will contract with TASC, Inc., a social service provider, who will comply with the Horner Amended Consent Decree’s requirements.

RESOLUTION NO. 2003-CHA-82

WHEREAS, the Board of Commissioners has reviewed Board Letter dated May 28, 2003, “Authorization to enter into a Contract with BMH-1, LLC to provide funding for needs assessment and case management services for Henry Horner Mid-rise Residents.”

THEREFORE, BE IT RESOVLED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter a two year contract with BMH-1, LLC to provide funding for

needs assessment in an amount not to exceed \$ 225,000.00 for the two year period subject to Board and (if required) HUD approval.

The Omnibus Motion to adopt resolutions for Items A1 thru A4 was seconded by Commissioner Healey and the voting was as follows:

Ayes:	Sharon Gist Gilliam Hallie Amey Mamie Bone Earnest Gates Dr. Mildred Harris Lori Healey Sandra Young
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Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Tenant Services Committee report was also accepted in total.

Commissioner Earnest Gates, Chairperson of the Operations & Facilities Committee, then presented his monthly report. Per Commissioner Gates, the Operations & Facilities Committee held its regular meeting on Wednesday, June 11, 2003, at 1:30 p.m. at the 626 Corporate Office.

Commissioner Gates then introduced an Omnibus Motion for the adoption of the resolutions for Items B1 through B8 discussed, voted and recommended for Board approval by the Operations & Facilities Committee.

(Item B1)

As part of the Capital Improvement Program (“CIP”) for family developments, the CHA requires a contract to provide for the modernization and general rehabilitation of thirteen (2-story) apartment buildings, in addition to the demolition of three (2-story) buildings, five end units of five (2-story) buildings, and incinerator rooms at Bridgeport Homes. Accordingly, in May 2003, the CHA advertised an Invitation to Bid to solicit bids for the general rehabilitation of Bridgeport Homes. The IFB was advertised in area newspapers and the CHA directly solicited thirty-one (31) firms including sixteen (16) MBE/WBE firms. The resolution for Item B1 approves award of contract to Burling Builders based on the review and recommendation of the Department of Procurement since it was determined that Burling Builders’ was the lowest responsive and responsible bidder.

. RESOLUTION NO. 2003-CHA-83

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 6, 2003 Entitled “Authorization to execute contract with Burling Builders, Inc. for family housing rehabilitation at Bridgeport Homes (IL2-34)”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a firm fixed price contract with Burling Builders, Inc. for an amount of \$11,666,700.00 for the general rehabilitation of the Bridgeport Homes family development (IL2-34). The time for completion of work under the contract will be for thirty six (36) months from the Notice to Proceed.

(Item B2)

The CHA advertised an Invitation for Bid (“IFB”) to solicit proposals for the demolition of the Eisenberg Boys & Girls Club and to provide grading and landscaping for the demolition site. The IFB was advertised in area newspapers and the CHA directly solicited 18 vendors, including 3 M/WBE firms. Bidders were requested to submit a lump sum base bid for the building demolition. Of the nine (9) bids received, opened and reviewed the second lowest bid, submitted by N. F Demolition, Inc. was found, by the Contracting Officer, to be the lowest responsive and responsible bid. Accordingly, based on this competitive solicitation, the resolution for Item B2 approves award of contract to N.F. Demolition, Inc.

. RESOLUTION NO. 2003-CHA-84

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated June 3, 2003, entitled “Authorization to execute contract with N. F. Demolition, Inc. for the demolition of the Eisenberg Boys & Girls Club in Jane Addams Homes, located at 1207 W. Taylor”;

THEREOFRE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a fixed price contract with N. F. Demolition, Inc. in the amount of \$133,500 for the demolition of the Eisenberg Boys & Girls Club in Jane Addams Homes, located at 1207 West Taylor.

The term of the contract will be for a period of 75 days from the date of the Notice to Proceed.

(Item B3)

The CHA advertised an Invitation for Bid (“IFB”) on April 11, 2003, for the general renovation of Washington Park Apartments and Langley Apartments. The IFB was advertised in area newspapers and 31 vendors were directly solicited, including 16 MBE/WBE firms. A review of the bids established Burling Builders, Inc. as the lowest responsive and responsible bidder after Friedler Construction, with the lowest bid, was determined to be non-responsive and the second lowest bidder, General Building & Maintenance, was permitted to withdraw its bid due to a mistake. This contract is required to renovate 266 apartments and the common areas at two senior properties, Washington Park Apartments, 4949 S. Cottage Grove and Langley Apartments, 4930 S. Langley Ave., as part of the CHA’s Capital Improvement Program for seniors. The scope of work for these two properties includes the incorporation of ADA compliant apartments, facade repairs, renovation of kitchens, bathrooms, floors (new tiles), repair of damaged walls and ceilings, painting walls and ceilings, and installation of new doors (and hardware), refrigerators, ranges/ovens, and renovation of the building management offices and parking lots. It is anticipated that all work will be completed by the end of June 2004.

RESOLUTION NO. 2003-CHA-85

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 3, 2003, Entitled “Authorization to execute a contract with Burling Builders, Inc. for Senior Housing rehabilitation at Washington Park Apartments (IL2-34) & Langley apartments (IL2-57)”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a fixed price contract with Burling Builders, Inc. in the amount of \$12,108,754.00, for the rehabilitation of two Senior properties, Washington Park Apartments 4949 S. Cottage Grove (IL2-34) and Langley Apartments, 44930 S. Langley Ave. (IL2-57). The time for final completion of work under the contract is July 15, 2004.

(Item B4)

The resolution for Item B4 approves award of contract to General Building & Maintenance (GBM) for renovation of the common areas at Judge Green, Princeton, Lincoln Perry, and Lincoln Perry Annex Apartments. The contract will provide new floor tiles, new paint (wall & ceiling), door hardware, and repairs for the damaged walls and ceilings. The CHA advertised an Invitation for Bid on April 4, 2003, in the Chicago Sun-Times, the Chicago Defender and Exito and directly solicited thirty-one (31) firms, companies or individuals including sixteen (16) MBE/WBE firms. The bids were reviewed and evaluated and GBM was determined to be the lowest responsive and responsible bidder.

RESOLUTION NO. 2003-CHA-86

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 3, 2003, Entitled “Authorization to execute a contract with General Building & Maintenance Company for general rehabilitation of common areas, 2nd floor & above, at Judge Green Apartments, Princeton Apartments, Lincoln Perry Apartments & Lincoln Perry Annex”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a fixed price contract in the amount of \$764,937.00 with General Building & Maintenance Company for the general rehabilitation of the common areas, 2nd floor and above, at Princeton Apartments, 4250 S. Princeton Avenue - IL2-32, Judge Green Apartments, 4030 S. Lake Park Avenue - IL2-55,

Lincoln Perry Apartments, 3245 S. Prairie Avenue - IL2-63 and Lincoln Perry Annex 243 E. 32nd Street - IL2-102D.

The time for completion of work under the contract will be 120 calendar days from the date of issuance of a Notice to Proceed.

(Item B5)

The CHA advertised an IFB in April 2003 for facade repairs at the Pomeroy Apartments. The IFB was advertised in area newspapers and the CHA directly solicited 31 vendors, including 16 MBE/WBE firms. Bidders were requested to submit a lump sum base bid for completion of the facade repairs, including the repair of bulging brick, misaligned brick, face brick, tuck pointing, rebuilding outer wythe parapet wall, removal and replacement of lintels and the removal of corrosion and loose caulk. Of the 9 bids received, opened and reviewed, it was determined that Fine Line BT Corporation submitted the lowest responsive and responsible bid. Accordingly, the resolution for Item B5 approves award of contract to Fine Line BT Corporation.

RESOLUTION NO. 2003-CHA-87

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 3, 2003 Entitled “Authorization to execute a contract with Fine Line BT Corporation for facade repairs at the Pomeroy – IFB No. 01187”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a fixed price contract with Fine Line BT Corporation in the amount of \$1,179,300 for facade repairs at the Pomeroy Apartments, 1039 West Hollywood. The time for completion of work under the contract will be 365 calendar days from the date of the Notice to Proceed.

(Item B6)

HUD regulations require that CHA conduct a self-evaluation and develop a transition plan for CHA’s programs, facilities, and communications to ensure equal access for persons with disabilities in accordance with all applicable local, state and Federal requirements, including but not limited to Section 504. The self-evaluation is to identify barriers in CHA programs, facilities, and communication activities for people with disabilities. The transition plan is to provide comprehensive recommendations for barrier removal and estimated costs for bringing inspected CHA units into compliance. In February 2003, CHA issued an RFP seeking the services of a contractor to conduct such a self-evaluation and develop such a transition plan. The RFP was advertised in area newspapers, CHA’s website and PHADA. Of the two responses received, only one, LCM Architects, L.L.C., was deemed responsive. Accordingly, the resolution for Item B6 approves award of contract to LCM Architects, L.L.C. for the provision of a self evaluation and transition plan.

RESOLUTION NO. 2003-CHA-88

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated May 23, 2003, entitled “Authorization to enter into contract with LCM Architects, L.L.C. for Section 504 Self Evaluation and Transition Plan (Specification/RFP No. 01179).”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with LCM Architects, L.L.C. for the provision of a self evaluation and transition plan pursuant to Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and regulations promulgated thereunder for CHA programs, facilities and communications to ensure equal access for persons with disabilities for the firm, fixed price of \$339,740 for a one-year term.

(Item B7)

In August 2002, the Board approved a Redevelopment Agreement with Jazz on the Boulevard, L.L.C. for the redevelopment of the Drexel Site. Pursuant to the Redevelopment Agreement, CHA is required to fund the cost of site remediation for pre-existing conditions on the entire development site(other than costs the Developer would have incurred in any event), subject to certain rights to terminate for infeasibility. HUD has indicated that since a competitive process was engaged to procure the Drexel Redevelopment Team as identified in the Plan approved by HUD, and since the engineered barrier approach to remediation involves construction elements

to be performed post-closing, there is justification to enter into this contract with Jazz on the Boulevard. By entering into a contract with Jazz on the Boulevard various benefits such as continuity of schedule, continuity of activity and economy of scale will be realized. The estimated remediation cost for this development is \$1,300,085. CHA's contractual responsibility for remediating foreseen and unforeseen environmental conditions is capped at 200% of this estimated total cost. Accordingly, the resolution for Item B7 approves award of contract to Jazz on the Boulevard, L.L.C. for environmental remediation activities at the Drexel Site.

RESOLUTION NO. 2003-CHA-89

WHEREAS, the Board of Commissioners has reviewed the memorandum dated May 16, 2003 Entitled "Authorization to enter into a contract with Jazz on the Boulevard, LLC for environmental remediation activities at the Drexel "Jazz on the Boulevard" development site "

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to enter into a contract with Jazz on the Boulevard, LLC for environmental remediation activities at the Drexel "Jazz on the Boulevard" development in support of the Drexel Redevelopment Site for a total contract amount not to exceed \$2,600,170 (200% of the estimated remediation cost). The term of the Jazz on the Boulevard LLC contract shall be the earlier of: the receipt of a "No Further Remediation" letter from the Illinois Environmental Protection Agency with regard to the Drexel Redevelopment Site, or two years, subject to a one year extension if approved by HUD.

(Item B8)

The Resolution for Item B8 amends the previously approved September 18, 2001, Resolution. The amendments include a separation of the Old Town Village East Phase II transaction from the Old Town Village West transaction, increase the amount of CHA's contribution for the Old Town Village East Phase II transaction from \$1,521,000 to \$2,082,751; forego the utilization of HUD Development Funds Program IL06P002182; and utilize 1994 Cabrini HOPE VI Funds IL06URD002I294 for the entire transaction for an amount not to exceed \$2,082,751. With HUD's new 2003 Total Development Cost (TDC) Limits that were published in April 2003, CHA can now contribute more funds than what was originally permitted. Increasing CHA's contribution will eliminate the previously identified acquisition gap of \$384,000, which may have required financing arrangements with the City of Chicago, the Chicago Metropolitan Housing Development Corporation (CMHDC), or other party. Old Town Village East is a 139 unit condominium development planned at the northeastern corner of Sedgwick and Division. The developer has offered to provide 16 units to CHA under a 40-year leasehold interest agreement. CHA's total estimated contribution of \$2,082,751 will include \$1,905,000 for the purchase price plus an additional \$177,751 for related transaction costs and fees. The 16 units will serve as replacement housing for Cabrini Green Extension North families and will count towards the 700 replacement units as required by the Cabrini Green Consent Decree.

RESOLUTION NO. 2003-CHA-90

WHEREAS, the Board of Commissioners has reviewed the memorandum dated May 16, 2003, entitled "Authorization, amending a September 18, 2001 Board Resolution, to enter agreement with MCL Companies for leasehold interest on 16 units at Old Town Village East Phase II, and to submit project for approval by the U.S. Department of Housing and Urban Development" and concur with the recommendation contained therein:

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorize the Chief Executive Officer or his designee to:

- 1) amend the September 18, 2001 Board Resolution and thereby separate the Old Town Village East Phase II and Old Town Village West negotiations and purchase of leasehold interests as two individual transactions;
- 2) negotiate and execute a purchase agreement for a 40-year leasehold interest in 16 units in Old Town Village East Phase II of which an amount not to exceed \$2,082,751 will be provided from 1994 Cabrini HOPE VI funds;

- 3) submit a Mixed Finance Proposal to the U.S. Department of Housing and Urban Development (HUD), in collaboration with the Habitat Company ("Receiver"), for the purchase of leasehold interests in the units and secure all other HUD approvals as required for CHA participation;
- 4) enter into a lease agreement or such other agreement as may be necessary to ensure that the 16 units are maintained as public housing for a term of 40 years; and
- 5) execute such other documents as may be necessary to secure CHA's interest in Old Town Village East Phase II and Old Town Village West.

The Omnibus Motion to adopt resolutions for Items B1 through B8 was seconded by Commissioner Harris and the voting was as follows:

Ayes:	Sharon Gist Gilliam Hallie Amey Mamie Bone Earnest Gates Dr. Mildred Harris Lori Healey Sandra Young
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Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Operations & Facilities Committee report was also accepted in total.

Commissioner Lorie Healey, Interim Chairperson of the Finance and Audit Committee, then presented her monthly report. Per Commissioner Healey, the Finance & Audit Committee held its regular meeting on Wednesday, June 11, 2003 at 2:00 p.m. at the 626 Corporate Office. Todd Gomez, Chief Financial Officer, and his staff presented the Committee with the Treasury and Cash Flow Report as of May 31, 2003.

Commissioner Healey then congratulated Todd Gomez and the staff of the Office of Budget and Management for receiving the Government Finance Officers Association's, "**Distinguished Budget Presentation Award**" for the 3rd consecutive year. According to Commissioner Healey, this award is the highest form of recognition in governmental budgeting and its attainment represents a significant achievement for the Chicago Housing Authority.

Commissioner Healey then introduced an Omnibus Motion for the adoption of the resolutions for Items C1 thru C4 discussed, voted and recommended for Board approval by the Finance and Audit Committee.

(Item C1)

The Authority is implementing energy conservation measures throughout its senior portfolio pursuant to HUD's energy performance contracting program. The program is being implemented in phases. The initial two phases of this project were financed through a master equipment tax-exempt lease, as amended, with the LaSalle National Bank. Pursuant to HUD's program, HUD approved the payment to the Authority of additional or "add-on" operating subsidy and other incentives to assist in amortizing the agreement. In February 2001, the Board approved an increase of the Energy Services Agreement with EUA Citizens Conservation Services, Inc. for the third phase of the program from \$15 million to \$30 million. The CHA is financing this increase in part with the proposed new tax-exempt master equipment lease. The Authority has obtained HUD's approval of additional "add-on subsidy" for purposes of this third phase and is entering into the transactions to finance the phase of energy service improvements completed as part of the same rehabilitation program and to take advantage of the current interest rate environment to lower payments on the existing energy equipment lease. In addition, the leases will provide more favorable terms and conditions with respect to security for the leases.

RESOLUTION No. 2003-CHA-91

AUTHORIZATION TO ENTER INTO MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT WITH LASALLE BANK NATIONAL ASSOCIATION RELATING TO LEASE OF CERTAIN ENERGY CONSERVATION EQUIPMENT (PURSUANT TO PHASE 3 OF EUA CITIZENS CONSERVATION SERVICES, INC. AGREEMENT) AND TO REFINANCE MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT WITH LASALLE BANK NATIONAL ASSOCIATION RELATING TO LEASE OF CERTAIN ENERGY CONSERVATION EQUIPMENT (PURSUANT TO PHASES 1A, 1B AND 2 OF EUA CITIZENS CONSERVATION SERVICES, INC. AGREEMENT) BY AMENDING SUCH MASTER EQUIPMENT LEASE/PURCHASE AGREEMENT; AND RELATED MATTERS

WHEREAS, the Chicago Housing Authority, a municipal corporation and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the “*Authority*”), including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et seq.*, and all laws amendatory and supplemental thereto (the “*Act*”), is authorized by the laws of the State of Illinois (the “*State*”), including without limitation the Act, to lease property and enter into agreements to lease and/or purchase such property; and

WHEREAS, the Authority and LaSalle Bank National Association, as Lessor (the “*Lessor*”) have entered into a Master Equipment Lease/Purchase Agreement dated December 30, 1997 (the “*Original Agreement*”), as amended by Amendment Number One dated March 16, 1998, Amendment Number Two dated December 30, 1998 and an Agreement of Release and Bill of Sale and Amendment to Master Agreement dated October 31, 2001 (the Original Agreement, as amended, referred to herein as the “*Existing Lease*”); and

WHEREAS, pursuant to the Existing Lease, the Authority agreed to lease 10,270 energy efficient refrigerators and certain minor energy conservation measures at senior citizen housing buildings, certain lighting retrofit energy conservation measures and mechanical improvements at the Hilliard Family and Wentworth Garden sites and at senior citizens housing buildings (excluding certain equipment specifically excluded from the leased equipment) costing, in the aggregate, \$14,800,000 (collectively, the “*Existing Leased Equipment*”), all related to Phases 1A, 1B and 2 of the energy services agreements between the Authority and EUA/Citizens Conservation Services, Inc. (“*EUA*”); and

WHEREAS, it is necessary and desirable that the Authority and the Lessor refinance the Existing Lease by entering into an Amendment Number Three to Master Equipment Lease/Purchase Agreement with the Lessor (the “*Third Amendment*”) providing for lower rental payments due to a lower interest component (the Existing Lease, as amended by the Third Amendment, being referred to herein as the “*Amended Existing Lease*”); and

WHEREAS, it is necessary and desirable that, in connection with Phase 3 of the Energy Services Agreement between the Authority and EUA, the Authority lease certain energy conservation improvements at senior citizen housing buildings (the “*New Equipment*”) from the Lessor pursuant to a new Master Equipment Lease/Purchase Agreement (the “*New Lease*”) between the Authority and the Lessor financing approximately \$12,500,000 of such New Equipment; and

WHEREAS, it is necessary and desirable that the New Lease also authorize and set certain terms for the financing of additional Equipment purchases in the future; and

WHEREAS, in connection with the Third Amendment and the New Lease, the Lessor is requiring that the Authority and the Lessor enter into two Reserve Fund Agreements (the “*Reserve Fund Agreements*”) providing for two Reserve Funds aggregating \$3,500,000 as security for the Authority’s obligations under the Amended Existing Lease and the New Lease and, in conjunction therewith, the Lessor shall release its interests in the Deposit Pledge Agreement and Safekeeping and Custody Account Agreement referenced in the Existing Lease and all funds created thereunder; and

WHEREAS, a portion of the funds derived from the New Lease will be held pursuant to an Escrow Agreement between the Authority and the Lessor, as Escrow Agent (the “*Escrow Agreement*”); and

WHEREAS, certain arbitrage requirements of Section 148 and related provisions of the Code relating to the Amended Existing Lease and the New Lease will be specified in one or more Tax Exemption Certificate and Agreements (the “*Tax Agreements*”) of the Authority; and

WHEREAS, the New Lease, the Third Amendment, the Escrow Agreement, the Reserve Agreements and the Tax Agreement are referred to collectively herein as the “*Authority Agreements*”; and

WHEREAS, the Authority has caused to be prepared and presented to this meeting each of the Authority Agreements;

NOW THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

Section 1. The Authority is authorized to enter into the Authority Agreements with the other party or parties thereto in substantially the same forms now before the Authority. The forms, terms and provisions of the Authority Agreements be, and they hereby are, in all respects approved. The Chairman, the Chief Executive Officer or the Chief Financial Officer of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and, where necessary, the Executive Advisor to the Board, the Chief Executive Officer, the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Authority Agreements in the name, for and on behalf of the Authority, and thereupon to cause the Authority Agreements to be executed, acknowledged and delivered to the other party or parties thereto, in substantially the forms now before the Authority or with such changes therein as the individual executing the Authority Agreements on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the forms of Authority Agreements now before the Authority. When the Authority Agreements are executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, they shall be binding on the Authority. From and after the execution and delivery of the Authority Agreements, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Authority Agreements as executed. The Authority Agreements shall constitute, and hereby are made, a part of this Resolution, and copies of the Authority Agreements shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 2. The New Lease shall finance New Equipment in an amount not to exceed \$12,500,000 at an implicit rate of interest not to exceed 7.70% per annum and maturing no later than ten years from its effective date. The Existing Lease shall refinance Existing Equipment in an amount not to exceed \$9,000,000 at an implicit rate of interest not to exceed 6.50% per annum and maturing no later than seven and one-half years from its effective date.

Section 3. At the direction of Authority, Lessor intends to cause participation certificates (the “*Certificates*”) to be issued evidencing fractionalized ownership interests in the New Lease. The Authority hereby authorizes and directs the issuance of the Certificates by a trustee designated by Lessor on the terms and conditions provided in a trust agreement dated as of the date hereof.

Section 4. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority (including, without limitation, environmental remediation agreements, investment agreements, book-entry registration agreements, and intercreditor agreements) and to take such other actions as may be required or desirable in connection with the execution, delivery and performance of the Authority Agreements, the financing of costs of the Project and the issuance, sale and delivery of the Bonds.

Section 5. All acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 6. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 7. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

(Item C2)

The resolution for Item C2 approves the CHA's Employee Safety & Health Loss Control Manual. The Manual is established to communicate information in order to reduce the frequency and severity of occupational injuries and illnesses, and equipment from loss or damage. This Manual brings together information to guide all management and staff in addressing the challenges of creating a safe environment for employees, visitors, and tenants. Major components of the manual include: accident/injury Reporting, emergency evacuation procedure and safety procedures.

RESOLUTION NO. 2003-CHA-92

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 4, 2003, entitled "Adoption of the Chicago Housing Authority Employee Safety & Health Loss Control Manual";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners for the Chicago Housing Authority, hereby adopts, and authorizes the Chief Executive Officer and/or the Chief Financial Officer to implement, "The Chicago Housing Authority Employee Safety & Health Loss Control Manual" (the "Manual"); and ,

THAT, the policies and procedures contained in the Manual are effective upon adoption of this resolution and that this Manual supersedes all previously issued policies and Board resolutions that pertain to safety and loss control policy and procedures.

(Item C3)

As its Plan for Transformation proceeds, the CHA must have systems and supporting infrastructure in place to monitor progress, process and provide reliable information and support decision-making. CHA's aging information technology infrastructure is limited in its ability to support current and planned application systems which could adversely impact the implementation of the Plan. The Authority's enterprise servers are at the end of their life cycle and lack sufficient capacity to support the new applications and, therefore, must be replaced. CHA's critical applications such as the Relocation Management Tracking System and Budget Preparation System would be adversely affected should the enterprise servers fail and the Authority is unable to recover in a timely manner. Accordingly, the CHA issued an Invitation for Bid (IFB) in April 2003, soliciting qualified firms and/or individuals who could supply and deliver Sun hardware and associated software to the CHA. The IFB was advertised in area newspapers and of the two (2) bid proposals received and opened Edge Systems submitted the lowest bid. Accordingly, the resolution for item C3 approves award of contract to Edge Systems.

RESOLUTION NO. 2003-CHA-93

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated May 23, 2003 entitled "Authorization to Enter Into a Contract with Edge Systems, LLC for Supply and Delivery of Sun Hardware and Associated Software".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Edge Systems, LLC for the supply and delivery of Sun hardware and associated software for a firm fixed price of \$832,382.00 for a one (1) year contract term.

(Item C4)

The resolution for Item C4 approves significant policy revisions contained in the CHA Employee Policy Guide, Department Directors' Personnel Reference Guide, Fleet Policy, Ethics Policy, and Communications/Equipment Policy. The revisions to these policies ensure consistency and reflect current benefits and best practices and procedures.

RESOLUTION NO. 2003 – CHA –94

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated June 17, 2003 requesting authorization to amend and revise certain personnel policies and procedures and to publish and distribute a CHA Employee Policy Guide and Department Directors' Personnel Reference Guide, Fleet, Ethics and Communications Equipment Policies consistent with those revisions,

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) Revise the personnel policies as set forth in the Employee Policy Guide and Department Directors' Personnel Reference Guide, Fleet, Ethics and Communications Equipment Policies effective June 17, 2003. 2) publish and distribute the CHA Employee Policy Guide to employees during the fourth quarter of 2003; and 3) publish and distribute the Department Directors' Personnel Reference Guide, Fleet, Ethics and Communications Equipment Policies to Department Directors, Managing Directors and Management Representatives.

The Omnibus Motion to adopt resolutions for Items C1 through C4 was seconded by Commissioner Gates and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Hallie Amey
	Mamie Bone
	Earnest Gates
	Dr. Mildred Harris
	Lori Healey
	Sandra Young

Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Finance & Audit Committee report was also accepted in total.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

S/B: Sharon Gist Gilliam
Chairperson

S/B Lee Gill, Custodian and
Keeper of Records